

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this day of 2010, by and between, DAVID ROYAL ANDREWS, a single man, whose address is 13024 Ashgate Pl., Poway, CA 92064-5831, Lessor, and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leads the provisions of the party hereinabove.

land hereinafter called leased premises

0.126069 acres of land more or less, being Lot 13, Block 3, of Willow Wood addition, an Addition to the City of Fort Worth, Tarrant County, Texas, being a tract of land out of the P. Caldwell County, Abstract No. 1201, according to the Plat thereof recorded in Cabinet A. Slide 8949, of the Plat Records of Tarrant County, Texas, and being more particularly described in Document No. D206210135 of the Deed Records, Tarrant County,

in the County of Tarrant, State of TEXAS, containing <u>0.126069</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter cowned by Lessor which are configuous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in myalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

2. This lease, which is a "pal-Lup" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other flould hydrocarbons separated at Lessee's approach facilities, the royalty shall be (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchases: turnsportation inclines, provided that Lessee shall have the continuing right to purchase such control of the time of the production of similar grade and gravity; (b) for gas, following parts and the case the provided parts of the production of similar grade and gravity; (b) for gas, following parts and a valveren traces and production, several markets are controlled to the production of similar grade in a diversion of the same parts of the same production of similar grade and such grades and production, several production of similar grades and production. The production of similar grades in the same parts of the same production of similar grades in the same parts of the same production of similar grades in the same parts of the same parts of the same production of the production of the production of the production of similar grades in the same parts of the same production of the same production of the same parts of the production of the same parts of the production of the same parts of the production of the pr

leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not militar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or a horizontal completion to conform to any well spacing or density patient that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well with which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations on the leased premises, except that the production on which the not prod

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 80 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties between or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of

Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

S. Lessee may, at any time and from time to time, deliver to Lessor of the or record witten intered of all obligations thereather arising with respect to the interest is nest shan all of the sare covered by this lesse or any depths or zones thereunder, and shall thereupon be relieved of all obligation to pay or tender shuf-in royalites shall be proportionately reduced if Lessee releases all or an undivided interest in less than all of the sare covered hereby. Lessee shall be under the covered thereby on the lessed premises or lands pooled or unlitzed herewith, in accordance with the net acreage interest relatined hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the lesseed premises or lands pooled or unlitzed herewith, in primary and/or enhanced recovery. Lessee shall have the right of lingues and agrees along with the right to conduct such operations, and the construction and use of rosds, canals, pipelines, reasonably necessary for such purposes, including on under the lessed premises as may be reasonably necessary for such purposes, including on under the lessed premises and the construction and use of rosds, canals, pipelines, store, treat and/or transport producing with under the lessed premises of the same of the same producing of the same producing or marketing from the lessed premises or lands pooled therewith, the ancillary rights granted the producing of the same producing and the producing or marketing days producing and producing and the producing producing the producing producing the producing producing the producing producing producing producing producing the producing produci

17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term a sum of \$500/acre along with the same terms and conditions as granted for this

18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or under influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas rewere.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's s, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

DAVID ROYAL ANDREWS

STATE OF CALIFORNIA San Diese COUNTY OF Sknowledged before the on the 14 day of

2010_ by David Royal Andrews, a single man.

Public, State of Ca

Notary's name (printed

Notary's commission expires

NANCY A. STALKER Commission # 1680198 Notary Public - California San Diego County

My Comm. Expires Jul 9, 2010

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

KASTNER LAND SERVICES LLC 3537 JIM WRIGHT FREEWAY FT WORTH, TX 76106

Submitter: KASTNER LAND SERVICES

LLC

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

7/21/2010 9:21 AM

Instrument #:

D210175312

LSE

PGS

\$20.00

Denless

D210175312

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: VMMASSINGILL